

the gentlewoman from Texas will be postponed.

□ 1130

The Acting CHAIR. The Committee will rise informally.

The Speaker pro tempore (Mr. KLINE) assumed the chair.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Brian Pate, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

FAIRNESS IN CLASS ACTION LITIGATION ACT OF 2015

The Committee resumed its sitting.

AMENDMENT NO. 10 OFFERED BY MR. NADLER

The Acting CHAIR. It is now in order to consider amendment No. 10 printed in House Report 114-389.

Mr. NADLER. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Beginning on page 2, strike line 5 and all that follows through line 2 on page 3, and insert the following:

“(8) A trust described in paragraph (2) shall file with the bankruptcy court, not later than 60 days after the end of every quarter, a report that shall be made available on the court’s public docket and with respect to each such reporting period contains an aggregate list of demands received and an aggregate list of payments made.”.

The Acting CHAIR. Pursuant to House Resolution 581, the gentleman from New York (Mr. NADLER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. NADLER. Madam Chair, my amendment would address the bill’s serious violation of the privacy of asbestos victims. Instead of requiring asbestos trusts to disclose detailed personal information about asbestos victims, as the bill would do, my amendment would require aggregate reporting of the demands received and payments made by those trusts. This would ensure transparency of the trusts without jeopardizing the privacy of the victims.

Let’s remember why these asbestos trusts are established in the first place. Corporations that knowingly produced a toxic substance that killed or seriously injured unsuspecting American consumers and workers have since been held accountable for their practices through litigation. Asbestos companies that enter bankruptcy have the option of establishing a trust to satisfy the obligations to their victims while shielding themselves from future claims when they emerge from bankruptcy.

As if contracting a painful and life-threatening disease like lung cancer or

mesothelioma from exposure to asbestos is not bad enough, this bill would further victimize claimants by putting their personal information on the Internet, available to anyone who may seek to take advantage of them. The bill would require each asbestos trust to list the payment demands it has received, the amounts demanded, as well as the names and exposure histories of each claimant, along with the basis for any payment from the trust of such claimant. This information would be posted on the public docket of the court that established the trust, a docket that is easily accessible on the Internet through paying a nominal fee.

Now, it is true that the reports required under this bill would not include any “confidential medical record”—a term that is undefined—or a claimant’s full Social Security number, but with just the information that the bill requires to be provided, one can still learn a tremendous amount of sensitive health information about a victim. Releasing such information is an invitation to scam artists, to identity thieves, as well as to data brokers who may use the information collected to deny employment or credit or insurance to the victims.

To prevent this totally unnecessary and wrong invasion of privacy, my amendment would say, okay, we will release aggregate data from the trust sufficient to ensure transparency and to combat the imagined fraud claimed by supporters of the bill, but we won’t expose the personal information of asbestos victims and make them vulnerable to further victimization.

Rather than standing with the corporations supporting this legislation, which spent decades poisoning Americans with asbestos, I urge my colleagues to stand with Susan Vento, a fierce opponent of this bill and the widow of our former colleague Bruce Vento, who lost his life due to asbestos exposure.

Stand with the many organizations opposing this bill that do not wish to see asbestos victims’ personal information compromised. Stand with the victims who have suffered enough.

If you believe there is fraud, fine. The amendment would say present the aggregate information which would prevent or reveal the fraud, but don’t further victimize the victims by putting their personal information on the Internet so that they can be further victimized in their privacy, and in reality they can be victimized by scam artists or employers or others.

I urge adoption of the Nadler amendment.

Madam Chair, I reserve the balance of my time.

Mr. FARENTHOLD. Madam Chair, I claim the time in opposition to the gentleman’s amendment.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. FARENTHOLD. Madam Chair, the FACT Act requires increased transparency to combat fraud committed

against the asbestos trusts. This amendment strikes the requirement that the asbestos trusts publish the very data that would be necessary to detect the fraud between the trusts and State court tort proceedings.

In its place, the amendment calls for quarterly reports under the bill to publish only aggregate lists of demands received and aggregate lists of payments made by the trusts. Simple aggregation of information is not enough to allow defendants and State court parties and sister asbestos trusts to make meaningful inquiry into whether or not they are being defrauded.

The amendment also removes the requirement that the asbestos trusts respond to information requests from parties subject to asbestos-related suits and imposes the cost of such requests on the inquiring parties. The cost-shifting element of this provision is significant. In fact, a GAO report found that one asbestos trust had to pay over \$1 million to respond to a discovery request. Rather than have asbestos trust money used to comply with discovery requests, they should be preserved for the payment to the victims of asbestos-related illnesses.

This amendment not only guts the transparency requirements and elements of the bill, it also removes meaningful cost-saving measures. In fact, the bill is carefully crafted to protect folks’ privacy. Here is what happens: The legislation ensures that claimants’ confidential medical records and full Social Security numbers will not be made public.

Trust reports are also subject to the Bankruptcy Code’s existing privacy protections. Section 107 of the code, for example, allows courts to protect any information that would present an undue risk of identity theft or injure a claimant if disclosed. Rule 9037 of the Federal Rules of Bankruptcy Procedure, Privacy Protection for Filings Made with the Court, would also apply to these public reports. The rule would allow the courts to require redactions of personal and private information. Finally, rule 9037 will allow the courts to limit or prohibit electronic access to the trust reports.

Courts throughout the country already use these rules to protect the personal information of individuals who file claims during asbestos bankruptcies. For example, the court, in overseeing a Garlock bankruptcy, redacted trust claims information that was introduced into a hearing record and later released to the public. Other courts have required anyone reviewing bankruptcy claims to agree to strict protective ordinances.

Witnesses at the House Committee on the Judiciary on the FACT Act have explained that the bill does not threaten asbestos victims’ privacy and that asbestos claimants routinely disclose more information than the trust would be required to report in the course of tort litigation and bankruptcy proceedings.